

HB0510



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0510

Introduced 1/27/2005, by Rep. Kurt M. Granberg

SYNOPSIS AS INTRODUCED:

70 ILCS 520/7

from Ch. 85, par. 6157

Amends Southwestern Illinois Development Authority Act. Authorizes Authority to issue bonds for the promotion of tourism by capital improvement projects.

LRB094 05049 AJ0 35084 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning special districts.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Southwestern Illinois Development Authority
5 Act is amended by changing Section 7 as follows:

6 (70 ILCS 520/7) (from Ch. 85, par. 6157)

7 Sec. 7. (a) The Authority, with the written approval of the
8 Governor, shall have the continuing power to issue bonds,
9 notes, or other evidences of indebtedness for the purpose of
10 developing, constructing, acquiring or improving projects,
11 including without limitation those established by business
12 entities locating or expanding property within the territorial
13 jurisdiction of the Authority, for entering into venture
14 capital agreements with businesses locating or expanding
15 within the territorial jurisdiction of the Authority, for
16 acquiring and improving any property necessary and useful in
17 connection therewith, for the purposes of the Employee
18 Ownership Assistance Act, encouraging and promoting tourism by
19 capital improvement projects located within the territorial
20 jurisdiction of the Authority, and any local government
21 projects. With respect to any local government project, the
22 Authority is authorized to purchase from time to time pursuant
23 to negotiated sale or to otherwise acquire from time to time
24 any local government security upon terms and conditions as the
25 Authority may prescribe in connection therewith. For the
26 purpose of evidencing the obligations of the Authority to repay
27 any money borrowed for any project, the Authority may, pursuant
28 to resolution, from time to time issue and dispose of its
29 interest bearing revenue bonds, notes or other evidences of
30 indebtedness and may also from time to time issue and dispose
31 of such bonds, notes or other evidences of indebtedness to
32 refund, at maturity, at a redemption date or in advance of

1 either, any bonds, notes or other evidences of indebtedness
2 pursuant to redemption provisions or at any time before
3 maturity. All such bonds, notes or other evidences of
4 indebtedness shall be payable solely and only from the revenues
5 or income to be derived from loans made with respect to
6 projects, from the leasing or sale of the projects or from any
7 other funds available to the Authority for such purposes. The
8 bonds, notes or other evidences of indebtedness may bear such
9 date or dates, may mature at such time or times not exceeding
10 40 years from their respective dates, notwithstanding any other
11 law to the contrary may bear interest at such rate or rates
12 payable annually, semi-annually, quarterly or monthly, may be
13 in such form, may carry such registration privileges, may be
14 executed in such manner, may be payable at such place or
15 places, may be made subject to redemption in such manner and
16 upon such terms, with or without premium as is stated on the
17 face thereof, may be authenticated in such manner and may
18 contain such terms and covenants as may be provided by an
19 applicable resolution.

20 (b) (1) The holder or holders of any bonds, notes or other
21 evidences of indebtedness issued by the Authority may bring
22 suits at law or proceedings in equity to compel the
23 performance and observance by any corporation or person or
24 by the Authority or any of its agents or employees of any
25 contract or covenant made with the holders of such bonds,
26 notes or other evidences of indebtedness, to compel such
27 corporation, person, the Authority and any of its agents or
28 employees to perform any duties required to be performed
29 for the benefit of the holders of any such bonds, notes or
30 other evidences of indebtedness by the provision of the
31 resolution authorizing their issuance and to enjoin such
32 corporation, person, the Authority and any of its agents or
33 employees from taking any action in conflict with any such
34 contract or covenant.

35 (2) If the Authority fails to pay the principal of or
36 interest on any of the bonds or premium, if any, as the

1 same become due, a civil action to compel payment may be
2 instituted in the appropriate circuit court by the holder
3 or holders of the bonds on which such default of payment
4 exists or by an indenture trustee acting on behalf of such
5 holders. Delivery of a summons and a copy of the complaint
6 to the Chairman of the Board shall constitute sufficient
7 service to give the circuit court jurisdiction of the
8 subject matter of such a suit and jurisdiction over the
9 Authority and its officers named as defendants for the
10 purpose of compelling such payment. Any case, controversy
11 or cause of action concerning the validity of this Act
12 relates to the revenue of the State of Illinois.

13 (c) Notwithstanding the form and tenor of any such bonds,
14 notes or other evidences of indebtedness and in the absence of
15 any express recital on the face thereof that it is
16 non-negotiable, all such bonds, notes and other evidences of
17 indebtedness shall be negotiable instruments. Pending the
18 preparation and execution of any such bonds, notes or other
19 evidences of indebtedness, temporary bonds, notes or evidences
20 of indebtedness may be issued as provided by ordinance.

21 (d) To secure the payment of any or all of such bonds,
22 notes or other evidences of indebtedness, the revenues to be
23 received by the Authority from a lease agreement or loan
24 agreement shall be pledged, and, for the purpose of setting
25 forth the covenants and undertakings of the Authority in
26 connection with the issuance thereof and the issuance of any
27 additional bonds, notes or other evidences of indebtedness
28 payable from such revenues, income or other funds to be derived
29 from projects, the Authority may execute and deliver a mortgage
30 or trust agreement. A remedy for any breach or default of the
31 terms of any such mortgage or trust agreement by the Authority
32 may be by mandamus proceedings in the appropriate circuit court
33 to compel the performance and compliance therewith, but the
34 trust agreement may prescribe by whom or on whose behalf such
35 action may be instituted.

36 (e) Such bonds or notes shall be secured as provided in the

1 authorizing ordinance which may, notwithstanding any other
2 provision of this Act, include in addition to any other
3 security a specific pledge or assignment of and lien on or
4 security interest in any or all revenues or money of the
5 Authority from whatever source which may by law be used for
6 debt service purposes and a specific pledge or assignment of
7 and lien on or security interest in any funds or accounts
8 established or provided for by ordinance of the Authority
9 authorizing the issuance of such bonds or notes and, with
10 respect to any local government project, may include without
11 limitation a pledge of any local government securities,
12 including any payments thereon.

13 (f) In the event that the Authority determines that monies
14 of the Authority will not be sufficient for the payment of the
15 principal of and interest on its bonds during the next State
16 fiscal year, the Chairman, as soon as practicable, shall
17 certify to the Governor the amount required by the Authority to
18 enable it to pay such principal of and interest on the bonds.
19 The Governor shall submit the amount so certified to the
20 General Assembly as soon as practicable, but no later than the
21 end of the current State fiscal year. This subsection shall not
22 apply to any bonds or notes as to which the Authority shall
23 have determined, in the resolution authorizing the issuance of
24 the bonds or notes, that this subsection shall not apply.
25 Whenever the Authority makes such a determination, that fact
26 shall be plainly stated on the face of the bonds or notes, and
27 that fact shall also be reported to the Governor.

28 In the event of a withdrawal of moneys from a reserve fund
29 established with respect to any issue or issues of bonds of the
30 Authority to pay principal or interest on those bonds, the
31 Chairman of the Authority, as soon as practicable, shall
32 certify to the Governor the amount required to restore the
33 reserve fund to the level required in the resolution or
34 indenture securing those bonds. The Governor shall submit the
35 amount so certified to the General Assembly as soon as
36 practicable, but no later than the end of the current State

1 fiscal year.

2 (g) The State of Illinois pledges to and agrees with the
3 holders of the bonds and notes of the Authority issued pursuant
4 to this Section that the State will not limit or alter the
5 rights and powers vested in the Authority by this Act so as to
6 impair the terms of any contract made by the Authority with
7 such holders or in any way impair the rights and remedies of
8 such holders until such bonds and notes, together with interest
9 thereon, with interest on any unpaid installments of interest,
10 and all costs and expenses in connection with any action or
11 proceedings by or on behalf of such holders, are fully met and
12 discharged. In addition, the State pledges to and agrees with
13 the holders of the bonds and notes of the Authority issued
14 pursuant to this Section that the State will not limit or alter
15 the basis on which State funds are to be paid to the Authority
16 as provided in this Act, or the use of such funds, so as to
17 impair the terms of any such contract. The Authority is
18 authorized to include these pledges and agreements of the State
19 in any contract with the holders of bonds or notes issued under
20 this Section.

21 (Source: P.A. 86-1455; 87-778.)